

EXHIBIT Q

1 UNITED STATES DISTRICT COURT
2 EASTERN DISTRICT OF MICHIGAN
3 SOUTHERN DIVISION

4 UNITED STATES OF AMERICA,

5 Plaintiff,

6 vs.

Case No. 11-20612

Hon. George Caram Steeh

7 FURUKAWA ELECTRIC COMPANY,

8 Defendant.

/

9 **PLEA & SENTENCING**

10 BEFORE THE HONORABLE GEORGE CARAM STEEH
11 United States District Judge
12 Theodore Levin United States Courthouse
13 231 West Lafayette Boulevard
14 Detroit, Michigan
15 Monday, November 14, 2011

16 **APPEARANCES:**

17 For the Plaintiff: KATHRYN M. HELLINGS
18 Assistant U.S. Attorney
19 U.S. Department of Justice
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24 For the Defendant: ROBERT R. CALO
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1 APPEARANCES: Continued

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I N D E X

Witnesses

Page

NONE

E X H I B I T S

Identification

Marked

Received

NONE

1 Detroit, Michigan

2 Monday, November 14, 2011

3 — — —

4 (Proceedings commenced at 8:59 a.m.)

5 MR. BACHMAN: Good morning, Your Honor.

6 THE COURT: Good morning.

7 MR. CALO: Good morning.

8 THE CLERK: Case No. 11-20612, United States of
9 America versus Furukawa Electric.

10 THE COURT: Good morning. Would you like to state
11 your appearances?

12 MS. HELLINGS: Katherine Hellings for the
13 government.

14 MR. CALO: Good morning, Your Honor. Robert Calo
15 and Craig Bachman on behalf of Furukawa Electric, and the
16 company representative today is Takahiro Kashiwagi who is
17 present here in court today.

18 THE COURT: Welcome. Would you like to approach
19 the podium?

20 MR. CALO: Yes, Your Honor.

21 THE COURT: Okay. So the Court's been presented
22 today with a -- an acknowledgment of the Information filed in
23 the case and a Waiver of Indictment along with a proposed
24 Rule 11 agreement and a confirmation indicating that the
25 board of directors of the defendant corporation is giving Mr.

1 Kashiwagi authority to tender the plea.

2 MR. CALO: Yes.

3 THE COURT: All right. And I see that we have the
4 assistance of an interpreter. Would you like to state your
5 name, ma'am?

6 THE INTERPRETER: Yes, my name is Jinko Koring.

7 THE COURT: Okay. And Linda, do you have that
8 spelling?

9 COURT REPORTER: I have that. Thank you, Your
10 Honor.

11 THE COURT: Would you like to raise your right hand
12 to be sworn?

13 THE INTERPRETER: Yes.

14 J I N K O K O R I N G

15 was thereupon called as an interpreter herein, and after
16 being first duly sworn to translate from English to
17 Japanese and from Japanese to English to the best of her
18 ability, testified on her oath as follows:

19 THE INTERPRETER: I do.

20 THE COURT: Okay. Mr. Kashiwagi, would you like to
21 state your name for the record please?

22 MR. KASHIWAGI: Takahiro Kashiwagi.

23 THE COURT: All right. And how old are you, sir?

24 All right. Yeah, actually go ahead.

25 THE INTERPRETER: My name is Kashiwagi Takahiro,

1 52 years old.

2 THE COURT: Okay. And you are here representing
3 the defendant, Furukawa Electric Company Limited, is that
4 right?

5 THE INTERPRETER: Yes.

6 THE COURT: And your position with that company is
7 what, sir?

8 THE INTERPRETER: I'm a general manager of the
9 legal department.

10 THE COURT: Okay. And Furukawa Electric Company is
11 organized and domiciled in Tokyo, Japan?

12 THE INTERPRETER: Yes.

13 THE COURT: And you have been given authority to
14 enter into this Rule 11 plea agreement that has been
15 presented to the Court today?

16 THE INTERPRETER: Yes, Your Honor.

17 THE COURT: And I understand from the documents
18 submitted that you were authorized by the Board of Directors
19 of the company, which was given to you November 4th of this
20 year, is that right?

21 THE INTERPRETER: Yes, Your Honor.

22 THE COURT: Okay. So you've had an opportunity to
23 go over the Rule 11 plea agreement carefully with Mr. Calo?

24 THE INTERPRETER: Yes, Your Honor.

25 THE COURT: And do you believe you understand its

1 terms?

2 THE INTERPRETER: Yes, Your Honor.

3 THE COURT: And this plea agreement was also
4 reviewed and approved by the Board of Directors?

5 THE INTERPRETER: Yes, Your Honor.

6 THE COURT: You understand that by the terms of
7 this agreement, on behalf of the company, you are pleading
8 guilty to multiple -- there are there multiple counts, four
9 counts that he's pleading guilty to?

10 MS. HELLINGS: No, Your Honor, just one.

11 THE COURT: Just one.

12 MS. HELLINGS: Yes.

13 THE COURT: And yet you have a \$400 assessment.

14 MS. HELLINGS: The company has one special
15 assessment just for the single count.

16 THE COURT: And that's -- so it's a different rate
17 for companies than individuals?

18 MS. HELLINGS: Yes.

19 THE COURT: I see. I didn't realize that.

20 MR. CALO: Such is life in general.

21 THE COURT: Right. Okay. You understand, sir,
22 that you're pleading guilty to the charge of Conspiracy to
23 Restrain Trade?

24 THE INTERPRETER: Yes, Your Honor.

25 THE COURT: And do you understand that the maximum

1 possible sentence for that violation is the largest sum of
2 the following: \$100 million or twice the gross pecuniary
3 gain that was derived by the conspiracy -- conspirators from
4 the crime or twice the gross pecuniary loss that was caused
5 to the victims of the crimes by the conspirators. You
6 understand that?

7 THE INTERPRETER: Yes, Your Honor.

8 THE COURT: And do you understand that in addition,
9 the penalties may include a term of probation of at least one
10 year and not more than five years?

11 THE INTERPRETER: Yes, Your Honor.

12 THE COURT: And that the maximum sentence may
13 include restitution ordered to be paid to the victims of the
14 offense?

15 THE INTERPRETER: Yes, Your Honor.

16 THE COURT: And a \$400 special assessment provided
17 for by statute.

18 THE INTERPRETER: Yes, Your Honor.

19 THE COURT: Now, this charge is set forth in an
20 Information that has been filed with the Court. You recall
21 that document?

22 THE INTERPRETER: Yes, Your Honor.

23 THE COURT: And you've gone over the charge and
24 discussed it thoroughly with Mr. Calo?

25 THE INTERPRETER: Yes, Your Honor.

1 THE COURT: And Mr. Calo, would you waive the
2 reading of the Information?

3 MR. CALO: We certainly do, Your Honor.

4 THE COURT: Okay. You understand that the company
5 has a right to file an indictment in this case before
6 proceeding with a plea, you understand that?

7 THE INTERPRETER: Yes, Your Honor.

8 THE COURT: And that would -- that would first have
9 the case considered by a grand jury, which is made up of at
10 least 23 citizens from the community who would hear the
11 evidence from -- presented by the government in connection
12 with this case. You understand?

13 THE INTERPRETER: Yes, Your Honor.

14 THE COURT: And it is only if the -- if at least 16
15 of those citizens were to conclude that your company should
16 be charged with the violation that an indictment would be
17 returned. You understand?

18 THE INTERPRETER: Yes, Your Honor.

19 THE COURT: By pleading guilty to the charges in
20 the Information, you're waiving or giving up the company's
21 right to have the matter considered first by a grand jury.
22 You understand that?

23 THE INTERPRETER: Yes, Your Honor.

24 THE COURT: All right. You understand that if the
25 Court accepts this Rule 11 plea agreement, your company will

1 become obliged to pay a fine of \$200 million, and that would
2 be due -- I know I've got the page here somewhere.

3 MS. HELLINGS: It's in paragraph eight, Your Honor.

4 THE COURT: Eight?

5 MS. HELLINGS: Payable in 45 days.

6 THE COURT: Yes, payable within 45 days of the
7 sentence imposed. Do you understand that?

8 THE INTERPRETER: Yes, Your Honor.

9 THE COURT: In addition, of course, the Court would
10 require the \$400 special assessment to be paid.

11 THE INTERPRETER: Yes, Your Honor.

12 THE COURT: And because there are civil causes of
13 action available to the victims of this violation, the Court
14 would not be ordering any restitution as a part of the
15 sentence. You understand that?

16 THE INTERPRETER: Yes, Your Honor.

17 THE COURT: And the Court will be considering the
18 joint request of the parties not to order any term of
19 probation, but I may decide to order at least the one-year
20 term of probation that would otherwise be required by
21 statute. You understand that?

22 THE INTERPRETER: Yes, Your Honor.

23 THE COURT: By pleading guilty, of course, the
24 company would be waiving or giving up a number of important
25 legal rights that it otherwise has in the case. You

1 understand that?

2 THE INTERPRETER: Yes, Your Honor.

3 THE COURT: Of course, it's giving up its right to
4 have a trial in the case and a number of legal rights
5 connected with that trial, which we'll discuss in a few
6 minutes, along with other rights. You understand that?

7 THE INTERPRETER: Yes, Your Honor.

8 THE COURT: The company will also be giving up the
9 opportunity to appeal the conviction and the sentence imposed
10 by the Court if it is in accordance with the Rule 11 plea
11 agreement in this case.

12 THE INTERPRETER: Yes, Your Honor.

13 THE COURT: Okay. You understand that the company
14 has a right to be represented by counsel throughout these
15 proceedings, including the trial, sentence and appeal of the
16 case, and if -- I guess if it couldn't afford counsel,
17 counsel could be appointed to represent the company -- the
18 company. You understand that, sir?

19 THE INTERPRETER: Yes, Your Honor.

20 THE COURT: The company would also be giving up the
21 opportunity to decline to accept service of summons in the
22 case and to contest the jurisdiction of the United States to
23 prosecute this case in this district. You understand that?

24 THE INTERPRETER: Yes, Your Honor.

25 THE COURT: You understand the company could also

1 elect, instead of pleading guilty to these charges, to plead
2 not guilty and to have a trial in the -- in the matter to
3 decide that question?

4 THE INTERPRETER: Yes, Your Honor.

5 THE COURT: If the company elected to have a trial
6 in the case, it would be presumed not guilty of the charge,
7 presumed innocent of the offense.

8 THE INTERPRETER: Yes, Your Honor.

9 THE COURT: And that presumption would continue
10 unless and until the government proved each element or part
11 of the charge it's facing beyond a reasonable doubt.

12 THE INTERPRETER: Yes, Your Honor.

13 THE COURT: So to establish this violation, the
14 government would first have to prove that at least two
15 persons or entities got together to enter into an illegal
16 agreement or conspiracy to restrain trade. Do you understand
17 that?

18 THE INTERPRETER: Yes, Your Honor.

19 THE COURT: And secondly, the government would have
20 to prove that Furukawa as a company voluntarily entered into
21 that agreement.

22 THE INTERPRETER: Yes, Your Honor.

23 THE COURT: And thirdly, that Furukawa understood
24 the object and the purpose of the agreement to restrain trade
25 as it participated.

1 THE INTERPRETER: Yes, Your Honor.

2 THE COURT: Okay. So you understand that as
3 attorney for the corporation, Mr. Calo would have the
4 opportunity to cross-examine all of the witnesses called to
5 testify against the company by the government.

6 THE INTERPRETER: Yes, Your Honor.

7 THE COURT: And in addition, Mr. Calo could have
8 the Court order witnesses into court to testify for the
9 corporation if it wishes during the course of the trial.

10 THE INTERPRETER: Yes, Your Honor.

11 THE COURT: Then if convicted, the corporation
12 would have the opportunity to appeal the conviction if it
13 chose to go to trial instead of pleading guilty in this case.

14 THE INTERPRETER: Yes, Your Honor.

15 THE COURT: And then the corporation would also
16 have the opportunity, once sentenced, to appeal the sentence
17 that the Court might decide upon if it were not for this Rule
18 11 plea agreement.

19 THE INTERPRETER: Yes, Your Honor.

20 THE COURT: So these are all rights that the
21 corporation as a defendant in this case is giving up in order
22 to enter into this Rule 11 plea agreement. You understand
23 that?

24 THE INTERPRETER: Yes, Your Honor.

25 THE COURT: So understanding then the likely and

1 the possible consequences of pleading guilty to these charges
2 and understanding the rights that the corporation is giving
3 up in order to do so, do you still wish to tender this plea
4 of guilty today?

5 THE INTERPRETER: Yes, Your Honor.

6 THE COURT: How then do you wish to plead to the
7 charge of Conspiracy to Restrain Trade on behalf of Furukawa,
8 guilty or not guilty?

9 MR. KASHIWAGI: Guilty.

10 THE COURT: And can you tell me what happened in
11 this case that leads you to believe the corporation is guilty
12 of this charge? Mr. Calo?

13 MR. CALO: Your Honor, may I be heard for a second?

14 THE COURT: Sure.

15 MR. CALO: Anticipating that, we have prepared a
16 statement of the factual basis, which I would propose to the
17 Court -- the government has no objection -- if I could read
18 it, essentially read it to my client, and he could affirm it
19 to the Court if that's acceptable.

20 THE COURT: Yes, that's fine.

21 MR. CALO: Thank you very much.

22 Your Honor, my company is a Japanese company with
23 headquarters in Tokyo, Japan. It manufactures many products,
24 including the automotive wire harnesses and related products
25 listed in the Information. It employs more than 5,000 people

1 and sells automotive wire harnesses and related products in
2 the United States and elsewhere.

3 From the time period listed in the Information,
4 that is, approximately from January, 2000 to January, 2010,
5 officers and employees of my company had discussions with
6 employees of competitors that also manufactured and sold
7 automotive wire harness products -- excuse me, automotive
8 wire harness products, yes. Excuse me. These discussions
9 took place in face-to-face meetings or by telephone. The
10 discussions took place in the United States and elsewhere.

11 During such meetings -- during such meetings and
12 conversations, a conspiracy was formed and agreements were
13 reached to allocate the supply of automotive wire harnesses
14 and related products sold to automobile manufacturers on a
15 model-by-model basis and to rig bids quoted to automobile
16 manufacturers for automotive wire harnesses and related
17 products.

18 Therefore, as a result of these meetings, my
19 company produced and sold automotive wire harnesses and
20 related products that were the subject of the illegal price
21 fixing agreements that my company had made with competitors.
22 Those products and the payments for those products traveled
23 in interstate and foreign commerce and substantially affected
24 interstate and foreign trade and commerce.

25 For the purposes of this plea agreement, during the

1 time period of January, 2000 to January, 2010, our sales of
2 automotive wire harnesses and related products affecting U.S.
3 auto manufacturers totalled approximately \$839 million.

4 Finally, we note to the Court that some of the
5 products affected by the conspiracy were sold to automobile
6 manufacturers by one of our subsidiaries, which is located
7 here in the Eastern District of Michigan.

8 Thank you, Your Honor. That's the summary of the
9 factual basis.

10 THE COURT: Did you state a period of time?

11 MR. CALO: I did, January of 2000 to January, 2010.

12 THE COURT: Okay. Thank you. And did I hear an
13 affirmation here by your client?

14 MR. CALO: Do you affirm that that is a correct
15 factual summary basis of the crime allegation?

16 THE INTERPRETER: Yes, Your Honor.

17 MR. CALO: Thank you, Your Honor.

18 THE COURT: Thank you. Is counsel satisfied with
19 the sufficiency of the plea?

20 MS. HELLINGS: Yes, Your Honor.

21 THE COURT: Mr. Calo?

22 MR. CALO: Yes, Your Honor.

23 THE COURT: Court is likewise satisfied that the
24 plea is voluntary, knowledgeable and accurate.

25 I should have asked directly, and I'll do that now

1 actually, whether Mr. Kashiwagi -- I'm screwing that up
2 already.

3 MR. CALO: No, no, you did fine. No worse than I
4 have, and I've known it for weeks, Your Honor.

5 THE COURT: Okay. Sir, has there been -- have
6 there been any promises made to the corporation causing it to
7 plead guilty today that are not in this Rule 11 plea
8 agreement?

9 THE INTERPRETER: No, Your Honor.

10 THE COURT: Okay. And has anyone tried to force or
11 intimidate the corporation to plead guilty under duress based
12 upon anything, again, that is not already contained as
13 promises in this agreement?

14 THE INTERPRETER: No, Your Honor.

15 THE COURT: So no other threats that would amount
16 to coercion of the company to plead guilty?

17 THE INTERPRETER: No, Your Honor.

18 THE COURT: Okay. Thank you. Well, again, the
19 Court is satisfied that the plea is voluntary and
20 knowledgeable and accurate as -- based upon the factual basis
21 that's been presented. The Court will therefore accept the
22 plea of guilty.

23 And I note that in the agreement there's a request
24 that the Court again consider immediate sentencing in the
25 case that is based upon the -- the circumstances outlined in

1 the plea agreement and the -- and what I will hear during the
2 presentation in relation to the sentence to be imposed, is
3 that right?

4 MS. HELLINGS: Yes, Your Honor.

5 THE COURT: Mr. Calo, you are making that request
6 as well?

7 MR. CALO: Yes, Your Honor, we certainly are.

8 THE COURT: All right. I believe I should be able
9 to elicit enough information to comply with the purposes and
10 the objectives in the sentencing statute to determine a
11 sentence without the need for a pre-sentence investigation
12 report and so --

13 MS. HELLINGS: Did Your Honor receive the
14 sentencing memorandum that was filed under seal?

15 THE COURT: I thought I read something but --

16 THE CLERK: Let me check your desk.

17 THE COURT: She's going to check my desk.

18 (Brief pause)

19 THE COURT: Did the memorandum discuss how the
20 amount of the fine was determined?

21 MS. HELLINGS: Yes, Your Honor.

22 MR. CALO: Yes.

23 THE COURT: Okay.

24 MR. CALO: That's exactly --

25 THE COURT: And because it's under seal, would you

1 prefer that we not discuss that on the record?

2 MS. HELLINGS: Um, I think that there are some
3 things that we can discuss, but there were some things that
4 we sort of preferred not to discuss.

5 THE COURT: Okay. Yes, I do have that memo and I
6 have briefly reviewed it but I want to refresh my memory
7 here.

8 (Brief pause)

9 THE COURT: Yes. Okay. That actually does refresh
10 my memory, and Ms. Hellings, I'll be glad to hear your
11 discussion or do you prefer that I start with Mr. Calo?

12 MS. HELLINGS: It doesn't matter to me. I'm happy
13 to start.

14 THE COURT: Why don't I start with you and
15 understand the basis for the recommendation from the
16 government's viewpoint.

17 MS. HELLINGS: I was just going to use the mike.
18 Thank you.

19 This is a complicated industry and calculating the
20 volume of commerce was also complicated here.

21 THE COURT: Let me interrupt for just a second here
22 because we want to make sure you're explaining what's being
23 said to your client. Okay. Go ahead.

24 MS. HELLINGS: We essentially took into
25 consideration three categories of commerce as we understand

1 it in this industry. The first category includes wire
2 harnesses and related products that are manufactured in the
3 United States, sold in the United States to automakers here
4 in the U.S. who are installing these parts into their cars.
5 We included this commerce in our overall calculation.

6 The second category includes wire harnesses and
7 related products for -- that were manufactured abroad, that
8 is, for example, in Japan, that were then sold into the
9 United States and installed in cars here in the U.S. We also
10 included this category in our overall volume of commerce
11 analysis.

12 There's a third category that's a little more
13 complicated. That is products that are manufactured abroad,
14 they're sold to automakers abroad, installed in cars abroad
15 that are ultimately destined for the U.S. and U.S. consumers.
16 Although we could have included this commerce arguably, we
17 did not include it in our overall volume of commerce analysis
18 or our calculation overall.

19 THE COURT: Was that calculation which totaled 839
20 million?

21 MS. HELLINGS: There's one more step. Essentially
22 what we did is we took the categories one and two and we
23 started the defendant at the bottom of the guidelines range.
24 We then adjusted upwards within the range because we felt
25 that the guidelines fine was understating the seriousness of

1 the offense because of this third category of commerce that
2 we were not including. The upward adjustment correlates with
3 the percentage of the business that the defendant had that
4 falls into category three. We worked with the economist in
5 the Justice Department to come up with this synopsis and we
6 think it fairly represents the harm here.

7 THE COURT: Okay.

8 MS. HELLINGS: And then, of course, from there, we
9 did give a cooperation discount to the defendant off the back
10 end of that analysis.

11 THE COURT: Right. So we had a -- we had a -- an
12 agreed upon guideline range of 167.8 million to 537.5 million
13 based upon a total culpability score of eight, is that
14 correct?

15 MS. HELLINGS: That's correct, Your Honor.

16 MR. CALO: Would the Court --

17 THE COURT: Mr. Calo?

18 MR. CALO: Yeah. Thank you. Your Honor, I'm going
19 to take right off from the last point, which I think is the
20 essential point for my client this morning, and that is the
21 Court has -- the Court has within its power the ability to
22 not only follow the recommendation with regard to the fine --
23 and it is a substantial fine. It is a fine that, while we
24 are agreeing to it for these criminal purposes, I want the
25 Court to bear in mind that we worked hard with the government

1 in a cooperative manner to reach a resolution, and I would
2 like the Court to take that into account. And I'm speaking
3 here directly about the issue of probation. I think the fine
4 is substantial. If the Court has any concerns about
5 probation, I would ask the Court to consider several things:

6 One is that the cooperation meant that this company
7 came forward even before it was aware of the government
8 investigation. This was not a situation where the company --
9 the government had started to issue subpoenas to competitors
10 or to customers and we got wind of it and we say okay, we're
11 going in. We didn't know the government was investigating
12 it. We came in voluntarily. And then once we came in, we
13 came in with full force. We provided documents, we provided
14 witnesses, and as the plea agreement even notes, we've agreed
15 that four of our employees would be subject to individual
16 prosecution. And as this Court is well aware from the
17 proceedings it's had, some of those individuals are
18 voluntarily submitting to the jurisdiction of the United
19 States and going to jail.

20 Not only that, but my client did not stop there.
21 Once we became aware of this misconduct, we conducted an
22 extensive internal investigation. We have completely
23 revamped the internal policies and procedures regarding
24 compliance in this issue and we are going to be providing
25 extensive training.

1 I would say to the Court that the fine is
2 substantial. It's warranted perhaps by the calculations, but
3 the cooperation was certainly there. And in terms of
4 self-policing, I think this is a company that has policed
5 itself right from the get-go even before the government was
6 involved.

7 So for that reason, I would urge the Court not to
8 issue the term of probation. I fully recognize it's within
9 the Court's discretion, but I think the track record here
10 says don't put him on probation. I think the government, who
11 has investigated this case for several -- for several months,
12 couple years actually, has also concurred that probation is
13 not necessary. So I would ask the Court to consider the
14 cooperation, consider the totality of the its cooperation,
15 and I urge the Court to follow the recommended sentence.

16 THE COURT: Okay. Thank you, Mr. Calo.

17 And Mr. Kashiwagi, anything else that you would
18 like to say to the Court before the sentence is imposed?

19 THE INTERPRETER: The company sincerely regrets the
20 events that have lead it to be before the Court today. The
21 company accept full responsibility for its unlawful conduct.
22 It readily acknowledge the need to be punished and
23 respectfully ask the Court impose the sentence and fine urged
24 by the prosecutor and as set forth in the plea -- plea
25 agreement.

1 THE COURT: All right. Thank you. Well, anything
2 else anyone wishes to add to the record before the Court
3 imposes sentence?

4 MR. CALO: Defense will submit it, Your Honor.

5 MS. HELLINGS: No, Your Honor.

6 THE COURT: All right. The Court is first directed
7 to consider the guideline range that applies to the
8 sentencing, and the Court has described that for the record
9 already at 167.8 to \$537.5 million based upon a -- a
10 culpability score of eight.

11 And the background and circumstances I think have
12 been adequately described for the Court to enable the Court
13 to impose a meaningful sentence based upon this information
14 without the need for a pre-sentence investigation report.
15 Accordingly, the Court will proceed without the benefit of
16 that report as requested here by both counsel in the case.

17 The fine is indeed quite substantial as a
18 percentage of the total sales. It's described here. And
19 the -- and recognizing that in addition to sums paid in
20 connection with this criminal prosecution, that defendant
21 will face claims, lawsuits and obviously an exposure to
22 payment of civil restitution to the -- to the victims who
23 have already begun filing those claims, and I'm aware that
24 there are several civil cases already pending in this Court.

25 The Court is satisfied therefore that the proposed

1 fine is reasonable, proportionate to the seriousness of the
2 offense and the -- and the background of Furukawa as a
3 company, which has been described here by Mr. Calo in
4 connection with the company's recognition of its wrongdoing
5 and its forthcoming behavior thereafter in conducting its own
6 investigation and in initiating contact with the government
7 to correct the violations that have been described.

8 The Court is also satisfied that the remaining
9 factors of the sentencing statute at section 3553(a) will be
10 satisfied by the sentence as proposed here.

11 The behavior of Furukawa in initiating contact to
12 essentially self-police itself and to cooperate with
13 authorities is a strong indication that the probationary
14 sentencing otherwise contemplated by the statute would be
15 unnecessary.

16 In addition, the Rule 11 plea agreement includes
17 multiple consequences which would follow from a -- a failure
18 of the company to abide by the terms, including
19 post-conviction behavior and -- and the -- those
20 consequences, which are probably the most significant and
21 would otherwise be considered by the Court to be incorporated
22 in a probationary order, are the subject of an agreement and
23 enforceable through the terms of the agreement and the
24 potential consequences for violation that are provided for in
25 that document.

1 So the Court is -- is satisfied that given the
2 forthcoming behavior on the part of the defendant, that there
3 is not a need to go beyond the parties' agreement to deter
4 Furukawa from future violations, and the consequences are
5 certainly severe enough to satisfy the need to impose a
6 sentence that is sufficient but not greater than necessary to
7 deter other companies from like behavior.

8 Accordingly, and pursuant to the Sentencing Reform
9 Act of 1984, the Court will order that the defendant pay a
10 criminal fine of \$200 million within 45 days of today's date.
11 It will order a judgment that does not include restitution
12 for the reasons that I've discussed. It will -- the judgment
13 will include an order that requires the payment of \$400 as a
14 special assessment forthwith. And the Court will impose no
15 term of probation, again for the reasons that have been
16 discussed here.

17 Anything else that you believe the sentence ought
18 to include that I haven't mentioned, Ms. Hellings?

19 MS. HELLINGS: Thank you, Your Honor.

20 THE COURT: Mr. Calo?

21 MR. CALO: Your Honor, I apologize. First I want
22 to thank the Court for the sentence. I've had to look into
23 this because of the large amount of money that we're
24 transferring. It's going to be by wire transfer to the
25 Clerk's Office. And the Court had just said right now it's

1 45 days from today. It has tremendous interest implications
2 for us. The actual law is -- and I was an AUSA for 17 years
3 and didn't know this until last week. The actual law is from
4 the date that the Court files a judgment and commitment
5 order. So if I could just have that clarified on the record,
6 it's not from today; it's actually from the date that the JNC
7 gets filed that the 45 days begin.

8 THE COURT: I would fully --

9 MR. CALO: Thank you, Your Honor.

10 THE COURT: I would fully anticipate that it will
11 be filed today unless you would rather that we hold it off.

12 MR. CALO: No. I know --

13 THE COURT: Forty-five days will give him enough
14 time.

15 MR. CALO: Right, right. Some courts in other
16 districts, the JNC might come out a day or two later or it
17 comes out a week later, but you obviously -- you probably
18 have the most efficient courtroom in the country, so I'll let
19 it go on that.

20 THE COURT: Yeah. Well, now I know she'll get it
21 out.

22 All right. Okay. Well, the Court then will order
23 that the sentence be imposed as I've stated it on the record,
24 and I will not be advising the defendant of its right to
25 appeal the conviction and sentence given the waiver that's

1 included in the Rule 11 agreement, which the Court has also
2 accepted, and so wish you good luck. Thank you.

3 MR. CALO: Thank you, Your Honor.

4 MR. BACHMAN: Thank you, Your Honor.

5 MS. HELLINGS: Thank you, Your Honor.

6 THE CLERK: Counsel, one minute. Were you all
7 sworn in? I see that your appearances were filed.

8 MR. CALO: I was sworn in on Thursday.

9 THE CLERK: Oh, okay.

10 MR. CALO: I'm still excited about it.

11 THE CLERK: Great.

12 (Whereupon proceedings were concluded at 9:53 a.m.)

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C E R T I F I C A T I O N

I, Linda M. Cavanagh, Official Court Reporter of the United States District Court, Eastern District of Michigan, appointed pursuant to the provisions of Title 28, United States Code, Section 753, do hereby certify that the foregoing pages 1 through 28 comprise a full, true and correct transcript taken in the matter of United States of America vs. Furukawa Electric Company, Case No. 11-20612, on Monday, November 14, 2011.

s/Linda M. Cavanagh
Linda M. Cavanagh, CSR 131, RPR, CM, CRR
Federal Official Court Reporter
United States District Court
Eastern District of Michigan

Date: November 16, 2011
Detroit, Michigan